

By: Harris

S.B. No. 1738

A BILL TO BE ENTITLED

AN ACT

relating to insurance premium and maintenance taxes, and payment of excess losses of the Windstorm Insurance Association.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subsection (b), Section 221.001, Insurance Code, is amended to read as follows:

(b) This chapter does not apply to:

(1) a fraternal benefit society, including a fraternal benefit society operating under Chapter 885;

(2) a group hospital service corporation operating under Chapter 842;

(3) a stipulated premium company operating under Chapter 884;

(4) a mutual assessment association, company, or corporation regulated under Chapter 887; ~~or~~

(5) a purely cooperative or mutual fire insurance company carried on by its members solely for the protection of their own property and not for profit, except as provided by Section 221.002(b)(13); or

(6) a farm mutual insurance company operating under Chapter 911, unless the company:

(A) insures property in more than five counties in this state;

(B) has gross annual premium receipts greater

1 than \$1 million; or

2 (C) is a member of an insurance group that  
3 includes insurance companies that write insurance that is not among  
4 the lines of insurance that a farm mutual insurance company is  
5 authorized to write under Section 911.151.

6 SECTION 2. Section 252.005, Insurance Code, is amended to  
7 read as follows:

8 Sec. 252.005. EXCEPTION. This chapter does not apply to:

9 (1) a farm mutual insurance company operating under  
10 Chapter 911, unless the company:

11 (A) insures property in more than five counties  
12 in this state;

13 (B) has gross annual premium receipts greater  
14 than \$1 million; or

15 (C) is a member of an insurance group that  
16 includes insurance companies that write insurance that is not among  
17 the lines of insurance that a farm mutual insurance company is  
18 authorized to write under Section 911.151; or

19 (2) a mutual insurance company engaged in business  
20 under Chapter 12, Title 78, Revised Statutes, before that chapter's  
21 repeal by Section 18, Chapter 40, Acts of the 41st Legislature, 1st  
22 Called Session, 1929, as amended by Section 1, Chapter 60, General  
23 Laws, Acts of the 41st Legislature, 2nd Called Session, 1929, that  
24 retains the rights and privileges under the repealed law to the  
25 extent provided by those sections.

26 SECTION 3. Subsection (b), Section 2210.006, Insurance  
27 Code, is amended to read as follows:

1 (b) This chapter does not apply to:

2 (1) a farm mutual insurance company operating under  
3 Chapter 911, unless the company:

4 (A) insures property in more than five counties  
5 in this state;

6 (B) has gross annual premium receipts greater  
7 than \$1 million; or

8 (C) is a member of an insurance group that  
9 includes insurance companies that write insurance that is not among  
10 the lines of insurance that a farm mutual insurance company is  
11 authorized to write under Section 911.151;

12 (2) a nonaffiliated county mutual fire insurance  
13 company described by Section 912.310 that is writing exclusively  
14 industrial fire insurance policies as described by Section  
15 912.310(a)(2); or

16 (3) a mutual insurance company or a statewide mutual  
17 assessment company engaged in business under Chapter 12 or 13,  
18 Title 78, Revised Statutes, respectively, before those chapters'  
19 repeal by Section 18, Chapter 40, Acts of the 41st Legislature, 1st  
20 Called Session, 1929, as amended by Section 1, Chapter 60, General  
21 Laws, Acts of the 41st Legislature, 2nd Called Session, 1929, that  
22 retains the rights and privileges under the repealed law to the  
23 extent provided by those sections.

24 SECTION 4. (a) The changes in law made by Sections 1 and 2  
25 of this Act do not affect tax liability accruing before the  
26 effective date of this Act. That liability continues in effect as  
27 if this Act had not been enacted, and the former law is continued in

1 effect for the collection of taxes due and for civil and criminal  
2 enforcement of the liability for those taxes.

3 (b) The change in law made by Section 3 of this Act does not  
4 affect liability for an assessment accruing under Chapter 2210,  
5 Insurance Code, before the effective date of this Act. That  
6 liability continues in effect as if this Act had not been enacted,  
7 and the former law is continued in effect for the collection of  
8 assessments due and for civil and criminal enforcement of the  
9 liability for those assessments.

10 SECTION 5. This Act takes effect immediately if it receives  
11 a vote of two-thirds of all the members elected to each house, as  
12 provided by Section 39, Article III, Texas Constitution. If this  
13 Act does not receive the vote necessary for immediate effect, this  
14 Act takes effect September 1, 2011.